

**Finance Committee of the Vestry
Saint Michael and All Angels Church**

Minutes, April 14, 2020

Present: Janice Bywaters, Mike Ernst, Kathy Kelley (Treasurer), Jeff Kilpatrick, Stacey Malcolmson, Bill McGannon, Andy McRoberts, Becky Odlozil, Grady Schleier, Jim Smith, Chris Wiley

Ex-officio present: Rob Baber (Director of Finance), Ken Brannon (Vice Rector), John Ellerman (Junior Warden), Rev. Chris Girata (Rector), Jay Lipscomb (Senior Warden); Caroline Marak (Stewardship Manager)

Absent: None

Meeting held via Zoom Video Conference

1. Approval of agenda and minutes

The agenda for the meeting and the minutes from the March 10, 2020 meeting were approved.

Ms. Kelley introduced the newest member of the finance committee, Becky Odlozil. Becky has been a long-time member of Saint Michael with banking experience. Additionally, she is Treasurer for the Saint Michael's Woman's Exchange.

2. Update of Payroll Protection Program (PPP) application

Ms. Kelley thanked the committee for reviewing the PPP loan documents and application via email before this meeting. She noted the loan documents were reviewed by a Chancellor for the church and also the Vestry. The Vestry approved the application for the PPP loan. Mr. Baber explained more of the loan process and that the loan was submitted to our bank on the first day that applications could be submitted, April 3rd. The church received the loan approval on April 7th. Mr. Baber noted our representative at Bank of Texas worked long hours through the weekend taking care of his clients including weekend calls to work through questions on our application. The church's application was a consolidation of the church, the Saint Michael Episcopal School and the Saint Michael's Women's Exchange. The loan should be funded by this Friday, April 17th. Loan forgiveness will be calculated on payroll expenses for a period of eight weeks after the loan is funded. Additionally, utility expenses, rent and interest on loans can be included in the calculation of the amount forgiven. More information is coming from the Small Business Administration on a daily basis regarding the loans and forgiveness.

3. Review of March 2020 financials

Mr. Baber reviewed the results of operations for the period ending March 31, 2020. Total net year to date operating revenue was \$2,290,725 versus a budget of \$1,936,844 resulting in a positive variance of \$353,881. Total year to date operating expenses were \$1,082,014 versus a budget of \$1,163,440 resulting in expense savings of \$81,426. This results in a net positive variance of \$435,307. Mr. Baber noted pledge revenue and collection of prior year pledges remains strong. A number of pledges have been received earlier than normal in addition to a concerted effort in January and February to collect unpaid 2019

pledges. Mr. Baber reminded the committee that we do not accrue for expenses that are placed on church credit cards during the month that usually total \$30,000-\$35,000.

Mr. Baber expects a slowdown in pledge collections during the year due to the slowing economy brought on by government orders to shelter-in-place. At this point it is difficult to predict the exact revenue shortfall to be experienced by SMAA but we will watch trends and plan accordingly.

4. Additional Item

Rev. Girata updated the committee regarding the latest orders from the Governor of Texas and the additional orders put in place by the Bishop. At this time gatherings and services are suspended through May 10th, by order of the Bishop. This includes our Saint Michael Episcopal School and the Farmers Market. Services will continue to be streamed along with more offerings in the formation area.

No other discussions of new or old business was needed and the meeting was adjourned.